

Spokane Employees' Retirement System (SERS)

Board Meeting Minutes

August 5, 2026

The meeting was called to order at 1:03 p.m. in the Council Briefing Center at City Hall.

Present: Jim Tieken, Joe Cavanaugh, Richard Czernik, Jon Barnhart, Brian Brill, Beau Madsen.

Absent: Betsy Wilkerson, Brian Myers, Matt Boston.

Staff: Christine Shisler, Donald Brown, Lisa Dyson, Jon Abt, Tim Szambelan.

Guests: Dave Hanshaw, Natalie Hilderbrand, Kiera Randal, Daniel Zapotocky

Online Guests: Joe Ebisa (WithIntelligence).

Minutes of the June 3, 2026 Meeting

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the minutes of the June 3, 2026, meeting as presented. The motion passed unanimously.

Director's Report

Service Retirements

Marian T. La Beck, age 66 with 6.80 years of service, Option 'ST' effective July 1, 2026.

John C. Nicklas, age 62 with 29.01 years of service, Option 'D' effective July 2, 2026.

Laurel A. Farnsworth, age 67 with 24.26 years of service, Option 'ST' effective July 3, 2026.

Mark A. Badziong, age 62 with 21.09 years of service, Option 'ST' effective July 25, 2026.

Steven S. Warner, age 62 with 1.26 years of service, Option 'E' effective August 1, 2026.

Mardee K. Ellis, age 63 with 14.47 years of service, Option 'ST' effective August 4, 2026.

Dean W. Pearcy, age 50 with 20.19 years of service, Option 'ST' effective August 4, 2026.

Terri L. Pfister, age 59 with 35.12 years of service, Option 'ST' effective August 4, 2026.

Bruce L. Benson, age 62 with 22.05 years of service, Option 'ST' effective August 5, 2026.

Daniel T. Green, age 64 with 29.14 years of service, Option 'D' effective August 8, 2026.

Melanie D. Coe, age 50 with 27.23 years of service, Option 'E' effective August 10, 2026.

Margaret K. Harrington, age 63 with 17.97 years of service, Option 'ST' effective August 22, 2026.

Kimberly R. Bustos, age 59 with 18.02 years of service, Option 'C-10' effective September 9, 2026.

Richard Cznerik moved and Jon Barnhart seconded the motion to approve the service retirements as presented on the August Retirement Transaction Report. The motion passed unanimously.

Withdrawals

William E. T. Rettig, in the Water Department with 2.02 years of service.

Justin E. D. Kirk, in the Street Department with 0.16 years of service.

Kyle D. Haugen, in the Accounting Department with 7.89 years of service.

Abdulaziz Rahmaty, in the Community Development Department with 1.66 years of service.

Richard Cznerik moved and Brian Brill seconded the motion to approve the requests for withdrawal as presented on the August Retirement Transaction Report. The motion passed unanimously.

Vesting

Lauren M. Berry, in the Accounting Department with 10.21 years of service.

Nathan C. Rocha, in the Solid Waste Disposal Department with 10.75 years of service.

Erin L. Gray, in the Office of Performance Management Department with 2.98 - Portable years of service.

Troy E. Hayden, in the Fleet Services Department with 9.30 years of service.

Carol A. Standley, in the Information Technology Department with 1.32 years of service - Portable.

Waad H. Noah, in the Fleet Services Department with 7.16 years of service.

Deaths

Warren W. France, retired effective September 11, 1991, died May 3, 2026, at age 87. No Further Benefits.

Julie B. Barringer, retired effective September 15, 1994, died May 16, 2026, at age 81. No Further Benefits.

Bernice R. Beick, retired effective May 6, 2011, died May 26, 2026, at age 88. No Further Benefits.

Thomas E. Lenocker, retired effective July 8, 2014, died May 28, 2026, at age 71. E Option Continues.

Eloise A. Janish, retired effective March 5, 2005, died June 1, 2026, at age 71. No Further Benefits.

Eloise A. Janish, retired effective April 27, 1997, died June 1, 2026, at age 71. No Further Benefits.

Ronald W. Krueger, retired effective September 20, 1997, died June 3, 2026, at age 91. E Option Continues.

Dean C. Albrecht, retired effective April 5, 1994, died June 4, 2026, at age 91. D Option Continues.

Arthur E. Deerheim, retired effective May 15, 1995, died July 4, 2026, at age 82. No Further Benefits.

Brian W. Bierig, retired effective January 8, 2022, died July 18, 2026, at age 71. E Option Continues.

Vesting and death information provided to the Board for review.

Expenditure Summary Report – May and June 2026

The Expenditure Summary Report was presented to the Board and discussed.

Richard Czernik moved and Jon Barnhart seconded the motion to approve the May and June 2026 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – May and June 2026

The monthly investment reports were presented to the Board for review. The estimated market value of the SERS portfolio on May 31, 2026, was \$433.6 million with an estimated rate of return of 2.8% for the month and on June 30, 2026, was \$437.5 million with an estimated rate of return of 0.8% for the month.

Monthly Cash Reconciliation – June and July 2026

The monthly cash reconciliation report was presented to provide the Board with additional insight into the ongoing liquidity, transactions, and cash position of the plan.

Other Business

Richard Czernik requested to know the number of retirees on city retiree medical insurance, Christine Shisler shared 26 members at this time.

SMC Changes

Tim Szambelan shared the final draft revisions to Spokane Municipal Codes 03.050.070 and 04.14.040 with the Board.

Joe Cavanaugh moved and Richard Czernik seconded the motion to accept the Spokane Municipal Codes 03.050.070, 03.05.0260, and 04.14.040 as written and present to Spokane City Council. The motion passed unanimously.

Contribution Interest Rate

The contribution interest rate discussion was moved to the September Board meeting.

VRIP Update

The Board discussed the response letter sent by the Mayor regarding the unfunded liability caused by the Voluntary Retirement Incentive Program (VRIP) and the Administration's stance on not providing repayment to the Spokane Employees Retirement System.

Mr. Cavanaugh was 'very dismayed' by the way the conversation goes on in the Mayor's letter. It is unacceptable to say, not dealing with past but with the future'. If the Administration had come to the Board with alternatives, he is sure the Board would have looked at the submitted alternatives.

Mr. Czernik still feels it's an incentivized retirement. There was the possibility that the retirees would not have retired if the incentive of cash for medical was not given as an incentive.

Mr. Brill feels the letter is just repeating the arguments that the Board has heard all year. Suspects that the CFO, Matt Boston, wrote the letter for the Mayor. He feels it goes against the fiduciary responsibility to the employees as a SERS Board member, which the CFO is one of the SERS Board members. Doesn't feel that the arguments 'hold any

water'. To say 'the Board acknowledges' is incorrect. The Board never acknowledged.

Mr. Madsen asked questions regarding changing the contribution rate. It was explained that according to the various CBAs, the SERS Board is allowed to change the contribution rate by 1% by any given calendar year. That change in the contracts also benefited the City's bond rating.

Joe Cavanaugh moved and Richard Czernik seconded the motion to retain legal counsel to process a claim for the total of the unfunded liability caused by the VRIP in the amount of \$1,471,682. The motion passed unanimously with Board Chair Jim Tieken voting.

Other Business

Joe Cavanaugh brought to the Board's attention what he stated was an oversight of the coding of Standby Pay in the Peoplesoft system

Joe Cavanaugh moved and Richard Czernik seconded the motion that the SERS Board go on record confirming that all payroll codes for Standby Pay be entered as compensable time and are included as SERS earnings, moving forward as of August 2, 2026. The motion passed unanimously with Board Chair Jim Tieken voting.

Jim Tieken opened the floor for public comment. Tim Szambelan shared that the City Attorney's office is tracking the case of Dawson et al v. State of Washington et al filed with U.S. District Court for the Western District of Washington. Mr. Szambelan further shared that at this time, the state retirement system's motion to dismiss in a couple weeks. Mr. Szambelan stated he will provide updates regarding the case at the next meeting.

Richard Czernik moved to adjourn the meeting.

There being no other business, the meeting adjourned at 1:43 p.m.

/s/

Christine Shisler, Retirement Director